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The State of Southern California's Housing
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1. Please describe the goal of the project/program found in the article/report?

This report highlights Southern California's housing affordability crisis and contributes to the public discussion by analyzing the region's housing trends, patterns, and challenges facing policy makers. There is much public debate over how to address the housing problem in Southern California and this report examines the long-term influences on the housing market over the last forty years, the effect of state and federal policy and NIMBYism within the region, the sustainability of housing appreciation over the next few years, and the major structural factors influencing the cost of housing including regulatory constraints, lack of developmental land, poor transportation planning, and lack of regional cooperation. Finally, this report provides some insights about reasonable expectations that may guide the formation of policies that will improve the housing dilemma.

2. What were the key points?

It is clear that those most affected by the skyrocketing price of housing are low-income families and the poor who are left with limited or no residential choice and are forced into a lower quality of life. The tremendous population growth Southern California has experienced over the last forty years has created a dwindling supply, and rising demand for housing and has contributed to extensive overcrowding in certain regions. Although these trends in the housing market fluctuate with the regional economy, the production of housing still does not keep pace with population growth. Localized NIMBY attitudes towards the siting low-income housing has created inter-jurisdictional conflict throughout the region, illustrating ineffective policy laws and regulations and highlighting Southern California's fragmentation and lack of regional cooperation.

3. Is this a proposal or an existing project/program? If the project/program was completed, what were the outcomes? If it is a proposal, what are the expected outcomes?

The expected outcome of this project is that Southern California probably will not experience the level of housing appreciation it has seen over the past few years even though the recent wave is highly unusual compared to previous cyclical episodes. The report expects the decline in mortgage rates to reverse, the demand for housing to decrease, and assumes housing supply and demand is more elastic in the long run than in the short run, indicating looser housing markets in the future.

4. Who was involved and how did they meet the project goals?

In collaboration with the UCLA Anderson Forecast, this project was conducted by researchers from the Ralph and Goldy Lewis Center for Regional Policy Studies at UCLA's School of Public Affairs. Using Southern California housing data from 1960 to 2000, the researchers examined short-term and long-term trends in homeownership rates, housing costs, cost burdens, housing production, and crowding rates. The report then

examines traditional cyclical trends in the housing market, identifies migration patterns in and out of Southern California, and analyzes regional disparities concerning fair share housing.

5. How was it funded? How much did it cost?

This study was funded by the Ralph and Goldy Lewis Center for Regional Policy Studies at UCLA's School of Public Affairs. No information on the cost is provided.

6. Any pertinent statistics found?

Amazingly, Southern California housing prices have increased by 80 percent over the last seven years, and the median price of a home in 2000 was \$217,000, 70 percent higher than the national U.S. home values. The poverty rate in the region stood at 15.6 percent according to the 2000 Census, compared to only 12.4 percent for the nation, and foreign-born individuals comprise 31 percent of the population of Southern California as opposed to 11 percent for the nation. Also, the population of Southern California has doubled from 7.8 million in 1960, to 16.4 million in 2000, making it the second largest metropolitan region in the nation behind New York City.

7. Any unique approaches to ending homelessness identified?

Although this report did not specifically deal with the homeless issue, it did offer some recommendations for improving housing conditions, which indirectly affect low-income families and poor people. These include providing housing subsidies, eliminating institutional barriers such as housing discrimination and lack of access to financial resources, an increase in the earning power of the poor, and the provision of quality education to immigrants. The report also suggests that the region should lower the cost of travel through congestion relief, increase the supply of developmental land in the urbanized area, and allow for higher density development. Finally, the report suggests that governing bodies in the region find stronger mechanisms that include incentives and sanctions to enforce localities to think about regional goals instead of purely local goals.

8. Any questions raised by this plan?

The main question raised by this report is whether housing appreciation is sustainable in the long run, and the study suggests appreciation will continue to grow, but at a much slower pace than the previous seven years. The report also questions why people continue to move into the region given its high housing costs, concluding that housing opportunities are generally better for those who move out of Southern California and that those who do move in, do so for job related reasons.

9. Potential goals to include in the matrix?

- a) State enforced measures offering both incentives and sanctions for cities to think regionally and to meet fair share housing goals in the region.
- b) Redistribution of housing funds to low-income areas, which carry most of the burden and receive the least amount of funding.
- c) Shift in residential NIMBY attitudes by educating the public about the affordable housing crisis.